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## Economy has Isles in upbeat mood

By **Mike Leidemann**

Advertiser Staff Writer

Brian Dott is feeling good about his life right now, but he's worried about what's coming next.

"I'm in a business that's riding the economic boom," said the 54-year-old Dott, who works for a commercial construction contractor. "I'm thriving and enjoying it now, but there are lot of things like inflation that could turn things around quickly."

He's not alone in his thinking.

The latest Advertiser Hawai'i Poll shows most residents feel they are financially better off — or at least not worse — than they were five years ago. They are, however, slightly less optimistic about the next five years as concerns about traffic, the economy, affordable housing and schools top their list of worries.

Almost 40 percent of the respondents said they and their family are better off than they were five years ago. Asked the same question two years ago, when the local economy was starting to recover from a long slowdown, 25 percent of the respondents thought they were better off than before.

The upswing in optimism isn't surprising in a time when tourism figures are near all-time highs, real property values have skyrocketed, unemployment is among the lowest in the country and the economy is still expanding, although not as rapidly as in recent years, several local economists said.

"It makes sense. More of us are employed and we find it easier to switch to jobs that pay more and suit us better. Along with rising income and a very robust economy, it all adds up to a sense of security," said Carl Bonham, executive director of the University of Hawai'i Economic Research Organization.

In addition, rising property values and a strong stock market make people feel more financially comfortable, economists said.

"A lot of people are feeling better about themselves now. There's a sense that they survived 9/11 and the dot-com market crash five years ago, and now they're better positioned to face whatever is coming next," said Michael Cloe, a financial adviser with the firm of Broederdorf and Cloe.

### WORRIES ABOUT FUTURE

While the current economic recovery has helped many throughout O'ahu find steady work and some financial security, Dott is thinking ahead to the next phase of the economic cycle.

"The cost of everything — land, labor, warehousing — is rising," he said. "The state and counties are enjoying a good boom in revenue right now, but I don't see them doing anything to plan ahead

### ABOUT THE POLL

The Advertiser Hawai'i Poll was conducted on June 8 and from June 21-27. Ward Research Inc. of Honolulu surveyed 602 Hawai'i adult residents, interviewing them by telephone. Margin of error for the results is plus or minus 4 percentage points.

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for the time when the revenue starts to drop. Eventually, real estate is going to flatten, the construction boom will go bust and everything in business will become a lot more competitive."

The most optimistic poll respondents are those who have lived here 10 years or less (53 percent), are under 35 years of age (51 percent), and Filipinos (51 percent), according to a detailed breakdown of polling data.

Women (19 percent), people over 55 years old (18 percent) and those born and raised here (18 percent) tended to most often feel like they are worse off than five years ago.

More Republicans than Democrats said they are better off than five years ago — 55 percent to 32 percent. Slight more than one-third of respondents thought their own situation would improve in the next five years.

"I'm not so worried about myself because I don't have to work anymore, but I can't imagine what it's going to be like for my grandchildren. It's not going to be easy for them. Everything is going to cost more from homes to college tuition," said Kailua resident Janice Tupa, 72, a retired pharmacist. "I don't like the way things are going. Housing prices are going up and up and there are already so many homeless people. Someday the country is going to be broke. We're already borrowing too much money from other countries."

#### TOP ISSUE

Traffic topped the list of important issues facing Hawai'i, according to the poll. About 24 percent of respondents identified traffic as the most pressing problem — a startling increase from four years ago, when just 1 percent of the respondents to a Hawai'i poll listed traffic as the most important problem confronting the state.

The findings give support to Mayor Mufi Hannemann's contention that Hawai'i residents may finally be ready to support a new mass transit initiative, an idea that has floundered at least four times in the past 25 years.

"It takes longer and longer to get from one place to another," said Vivian Davis, a Chinatown resident who uses both a car and moped to get around. "I'd ride the rail if they build it. It would be faster and easier, and I could leave my car at home."

Bank of Hawaii economist Paul Brewbaker maintains that while people may be frustrated by stalled or slow progress they still believe traffic problems will be addressed by the government.

"Knowing that virtually nothing material has happened to improve education, drug abuse, etcetera, people are focusing in on transportation ... since the other problems at least aren't getting any worse," he said.

Economic concerns slipped in this year's poll. In 2002, 38 percent of all respondents felt the economy was the state's most pressing problem. This year's poll, that matter dropped to 19 percent. Only respondents under age 35 rated the economy a bigger concern than traffic in the current poll.

Bonham, the UH economist, wondered if a question about infrastructure should have been included in the poll.

"Infrastructure ought to be near the top of the list. Infrastructure includes highways, city roads, sewage, ports, harbors and electricity," he said. "All those things are extremely important and have potential to adversely affect society, people and the economy."

#### CONCERN FOR OTHERS

While some respondents felt relatively comfortable in their financial situations, they worried a lot about those less fortunate.

"I'm not a bleeding heart, but I'm concerned about all the homeless," said Kailua resident Jan Ocviik. "There are a lot of working people who can't afford a place to live, yet we keep building new places for the wealthy. I don't understand that thinking."

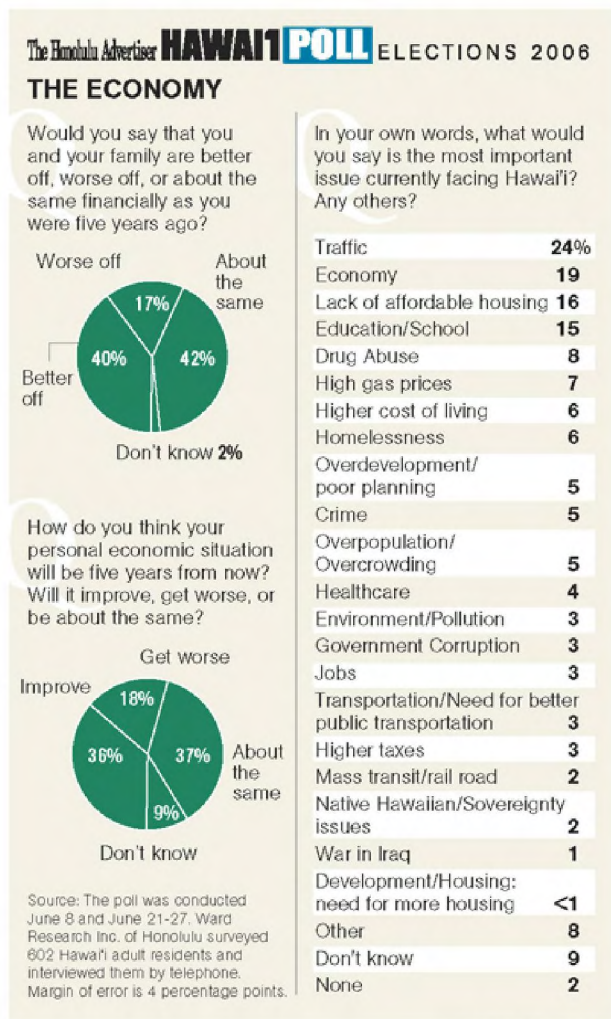
Alvina Klosick, a retired federal worker living in the Ala Wai area, agreed.

"I'm better off myself, but I think most people are still struggling," Klosick said. "Prices are

outrageously high and they keep increasing the rents every six months. Most people can't afford that, and I think it's going to keep getting worse. It's going to be terrible."

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